

PROSPECTUS OF
HANSON MINES LIMITED

COMMON SHARES
(PAR VALUE 90¢ EACH)

MAY - 8 1969

NEW ISSUE

600,000 shares consisting of 400,000 underwritten shares and 200,000 shares under option, as follows:

No. of Shares		Price per Share	Net Proceeds to Company*	Maximum Offering Price
Firmly Underwritten	Under Option			
400,000		\$1.00	\$400,000	\$ 1.25
	200,000	\$1.25	250,000	1.56
<u>400,000</u>	<u>200,000</u>		<u>\$650,000</u>	

*There is no obligation upon the underwriter and there is no assurance that any of the optioned shares will be purchased.

The Underwriter-Optionee may be said to realize a gross profit in an amount equal to the difference between the price paid for such shares and the price at which said shares are sold to the public.

The Underwriter-Optionee will offer shares purchased for sale through such registered security dealers who may be appointed as agents from time to time and who will be paid commissions not exceeding 25% of the selling price of such shares.

The purpose of this issue is to provide the Company with sufficient funds to defray its ordinary operating expenses and the costs of carrying out the exploration and development program recommended by its consulting engineer. See within under the captions "History and Business" and "Use of Proceeds".

There is no market for the shares of the Company.


THESE SECURITIES ARE SPECULATIVE

REGISTRAR AND TRANSFER AGENT
CROWN TRUST COMPANY

302 Bay Street
Toronto, Ontario

No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder, and any representation to the contrary is an offence.

The date of this Prospectus is February 18, 1969
MORGAN, OSTIGUY & HUDON LTD.
500 St. James Street West
Montreal 1, Canada
Investment Dealer



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THE COMPANY

Hanson Mines Limited (hereinafter for convenience referred to as "the Company") was incorporated under Part IV of The Corporations Act, 1953 (Ontario) by Letters Patent dated the 18th day of March, 1957 with the usual objects of a mining company. The Head Office of the Company is located at Suite 2001, 80 King Street West, Toronto, Ontario.

Since incorporation the Company has been engaged in the business of exploring and developing mining properties. The Company has examined and held interests in various mining properties. However the only properties in which the Company has any current interest are the La Ronge Mining District, Saskatchewan mineral prospecting permit and the Colchester and Cumberland Counties, Nova Scotia, prospecting licences hereinafter more particularly referred to.

In addition to the Company's interests in these properties it is intended that the Company also operate as a prospecting and exploration company using available excess funds not required for the Company's immediate purposes to defray costs of prospecting, examining and exploring for minerals principally in Canada.

HISTORY AND BUSINESS

The Company was originally incorporated to succeed the Parrex Mining Syndicate and in March 1957 the Company acquired all of the assets of the said Syndicate including various unpatented mineral claims located in the Provinces of Saskatchewan and Manitoba in consideration of the sum of \$968,000 which was satisfied by the issue to the Syndicate of 1,936,000 fully paid shares in the capital of the Company. 503,360 of such shares were originally deposited in escrow and have since been released.

The first financing of the Company was then carried out in the form of a rights offering to the members of the Parrex Mining Syndicate who were then the only shareholder of the Company. The rights offering permitted each shareholder of the Company to purchase shares of the Company at the price of 50 cents per share at the rate of one share for each two shares held. As a result of this rights offering the Company issued a total of 222,757 shares and received therefor the net sum of \$111,382.00.

All of the mining properties acquired from the Syndicate were subsequently allowed to lapse save the "Hanson Lake" group which were sold to Share Oils Limited (now Share Mines & Oils Limited) Calgary, Alberta in 1964 for 1,100,000 fully paid shares in the capital of Share Oils Limited.

100,000 of the shares of Share Oil Limited were delivered by the Company to Mr. Hugh J. Plaxton, Barrister and Solicitor, Toronto, Ontario as payment of Mr. Plaxton's then outstanding account for legal fees in the amount of \$2,007.00.

A total of 750,000 of such shares were distributed to the shareholders of the Company by way of a return of capital (See caption "Capitalization").

A further 170,000 of such shares have been sold by the Company on the market for a net amount of \$53,870.66 and the Company presently owns the balance, namely 80,000 shares.

In January 1958 George A. Reynolds, the then president of the Company, since deceased, assigned to the Company an option to acquire an interest in 19 mineral claims located in the Province of Saskatchewan and in consideration thereof the Company allotted and issued to Mr. Reynolds 10,000 fully paid shares in the capital of the Company. The property was examined and the option subsequently permitted to lapse.

By an agreement dated January 31, 1958 Teck-Hughes Gold Mines Limited, New Consolidated Canadian Exploration Company Limited and Noranda Mines Limited, all of Toronto, Ontario, agreed to carry out diamond drilling and geological work on the Company's mining claims and to receive therefor shares of the Company at the rate of 25 cents per share. The agreement contained an incorporation option in the event of a discovery, however nothing of significant value was discovered and the agreement was subsequently terminated. A total of \$41,658.26 was expended by the aforementioned mining companies and accordingly 166,632 fully paid shares in the capital of the Company were issued being 55,544 shares to each of the said mining companies.

After termination of the aforesaid agreement the Company decided to carry out some additional drilling on its Saskatchewan mining claims and raised a further \$29,656.25 therefor from the private placement of 120,000 shares in the capital of the Company at the price of 25 cents per share being 40,000 shares to each of William Less of New York, U.S.A., since deceased; Robert M. Stillman of Toronto, Ontario and George A. Reynolds of Toronto, Ontario, since deceased. Messrs. Stillman and Reynolds were directors of the Company at that time.

In May, 1961 the Company raised a further \$3,000 by the sale of 30,000 shares in the capital of the Company at the price of 10 cents per share as follows: Noranda Mines Limited, 10,000 shares; Newconex Limited, 10,000 shares; Teck Exploration Company Limited, 2,000 shares and Lamaque Exploration Company Limited, 8,000 shares. These funds were used to defer the then current operating expenses of the Company.

In June, 1965, 14,611 fully paid shares in the capital of the Company were issued to John Francis Daly, then the Secretary-Treasurer of the Company, and now President of the Company, on account of past services rendered to the Company for which no other remuneration had been paid by the Company. These shares were issued by the Company at the total nominal value of \$1.00.

Hanson Mines Limited Permit No. 1

In December, 1968 the Company acquired by application under The Mineral Disposition Regulations, 1961 (Saskatchewan) an exclusive Mineral Prospecting Permit covering approximately 189,100 acres or 300 square miles located in the La Ronge Mining District in the Province of Saskatchewan being designated "Hanson Mines Limited Permit No. 1". The Company has paid the required \$25.00 application fee and the permit is effective for a three-year period commencing December 5, 1968 subject to payment of annual rentals. The first year rental payment in the amount of \$3,782.00 has been paid by the Company. Annual rentals are based on a rate of two cents per acre payable yearly in advance. The Company has also deposited with the Department of Mineral Resources, Saskatchewan, a \$25,000.00 performance bond guaranteeing the minimum expenditures required to be made, i.e. \$30,000.00 for the first year of the permit; \$45,000.00 for the second year of the permit; \$60,000.00 for the third year of the permit. All excess expenditures in one year may be carried over in satisfaction of the requirements for subsequent years. The bond deposited by the Company is a 6% Province of Saskatchewan bond in the face amount of \$25,000.00 and acquired by the Company at a cost of \$21,856.68. The said bond is refundable upon the expenditure of the aforesaid minimum expenditures. At any time during the permit period the property may be taken to lease for a term up to 21 years renewable for further terms of up to 21 years.

The following is a summary of the report of E. J. Lalonde, P.Eng. covering this property. The full report of Mr. Lalonde dated February 11, 1969 has been filed and is available for inspection at the offices of the Ontario Securities Commission, 123 Edward Street, Toronto, Ontario. In the case of an offering of the securities in the Province of Quebec, a copy of the full report of Mr. Lalonde will accompany and form part of this prospectus.

Hanson Mines Limited has been granted exclusive rights under the Mineral Disposition Regulations, 1961 to explore and prospect for all minerals on approximately 189,100 acres of land in the northern part of the La Ronge Mining District in the Province of Saskatchewan for a period of three years commencing on December 5th, 1968.

This area was selected without a field examination and was based on published geological information. It is in close proximity to a permit area on which uranium mineralization has recently been discovered. The geology of the Hanson permit area is similar in most respects and could be considered the southwestern extension of the geology in the environs of the new discovery. No recommendations concerning exploration and prospecting are made as McIntyre Porcupine Mines Limited has agreed to carry out this work under an option dated December 5th, 1968.

This property is accessible via charter air service out of La Ronge and Uranium City, Saskatchewan (approximately 180 miles) or Lynn Lake, Manitoba (approximately 160 miles).

No work has been done on this property by the Company and there is no plant or equipment whatsoever presently on the property.

The Company has optioned this property to McIntyre Porcupine Mines Limited pursuant to a working option agreement dated the 5th day of December, 1968 whereunder McIntyre has firmly committed to carry out a \$250,000.00 work program upon the property by December 5, 1969 and has agreed to maintain the permit in good standing during the currency of the agreement. The agreement provides that McIntyre may acquire a 65% interest in the permit upon the expenditure by McIntyre of \$1,000,000.00 on the property. At any time before December 5, 1971 McIntyre may exercise its option by causing the incorporation of a new mining company which shall acquire the permit and allot and issue therefor 1,000,000 common shares in its capital, of which 350,000 shares shall be issued to the Company and 650,000 shares shall be issued to McIntyre. In the event that McIntyre shall exercise the option at any time before it has expended \$1,000,000.00 upon the property as aforesaid, the agreement provides that McIntyre shall complete its expenditure up to \$1,000,000.00 on or before December 5, 1971, or such later date as the Company shall agree. The option may be terminated by McIntyre at any time, however early termination does not relieve McIntyre from the aforesaid \$250,000.00 initial work commitment.

In the event that the incorporation option is exercised, McIntyre shall be entitled to finance the new company by the purchase of redeemable preference shares which shall be redeemed by the new company out of 80% of first earnings, it being understood that McIntyre shall be entitled to such shares for all sums advanced or expended from and including the initial \$250,000.00 firm commitment referred to above.

McIntyre will earn no interest in the property until it has expended at least \$1,000,000.00 as aforesaid.

Nova Scotia Prospecting Licences

During the period May to July, 1968, the Company carried out a prospecting program over parts of Colchester and Cumberland Counties in the Province of Nova Scotia and subsequently applied for and was granted Prospecting Licences covering 832 mineral claims comprising approximately 33,280 acres located in the said

Counties officially designated as Licence Nos. 5409 to 5433 inclusive, Nos. 5435 and 5437 inclusive, Nos. 5809 to 5830 inclusive, Nos. 5434 and 5482 covering 16 claims each. These licences were acquired by the Company at a cost of \$340.00 on account of licence fees and \$3,425.61 on account of engineering and prospecting expenses.

The mining claims covered by these licences comprise three claim groups on the north coast of the Province of Nova Scotia south and west of Tatamagouche Bay. The western group of claims is situated approximately 16 miles east of Oxford, Nova Scotia, along the Trans Canada Highway. The two eastern groups of claims are located approximately 28 miles north of Truro, Nova Scotia, along Highways 11 and 6.

The following is a summary of the report of E. J. Lalonde, P.Eng., covering this property. The full report of Mr. Lalonde dated February 11, 1969 has been filed and is available for inspection at the offices of the Ontario Securities Commission, 123 Edward Street, Toronto, Ontario. In the case of an offering of these securities in the Province of Quebec, a copy of the full report of Mr. Lalonde will accompany and form part of this prospectus.

The property consists of 33,280 acres or 52 square miles in the counties of Cumberland and Colchester in the Province of Nova Scotia.

These claim groups cover two ancient river channel systems in which low but above normal concentrations of radioactive material have been indicated to occur locally, associated with accumulations of carbonaceous debris. The sedimentary bedrock underlying the claims is of Carboniferous age and contain at least four zones in which carbonaceous material has been deposited. While no deposits approaching economic concentrations of uranium mineralization have been found to date the geological evidence suggests that such concentrations could occur. An exploration program to test this possibility and search for such possible deposits appears justified. Geochemical and geophysical surveys are recommended to delineate the channel systems and to define the carbonaceous horizons. A minimum of 12,500 feet of drilling is recommended. The total cost of the surveys and drilling is estimated to be approximately \$170,000.00.

The said licences are for a period of one year and may be extended for a further year upon the performance of at least \$5.00 worth of work on each acre of property. Accordingly, in order to keep the whole property in good standing for a further year, the Company would be required to carry out a total work program in the amount of \$166,400.00. The Company intends to carry out the work program recommended by Mr. Lalonde and estimated to cost \$170,000.00. However, the Company will review its requirements based on work done from time to time and such acreage covered by the licences as shall be determined to be non-assessable will be dropped in order that exploration expenditures may be applied as assessment work on ground which the Company wishes to retain. Other than the aforementioned prospecting program, no work has been carried out on this property by the Company to date and there is no equipment whatsoever on the property. The property is without a known body of commercial ore and the proposed program is an exploratory search for ore.

CAPITALIZATION

Designation of Security	Amount Authorized	Amount outstanding as at Nov. 30, 1968 See balance sheet attached	Amount outstanding as at Feb. 6, 1969	Amount outstanding if all securities being issued are sold
Common shares par value 90 cents each	5,000,000	2,500,000 (\$908,697.25)	2,500,000 (\$908,697.25)	2,900,000* (\$1,308,697.25)

* These figures represent the issue from treasury of the 400,000 underwritten shares.

By Supplementary Letters Patent dated December 1, 1965 the authorized capital of the Company was decreased from \$5,000,000.00 to \$4,750,000.00 by reducing the par value of each of the shares of the Company from \$1.00 to 95 cents and the repayment pro rata to the shareholders of the Company of the sum of \$125,000.00 was authorized.

This return of capital to the shareholders was effected by the pro rata distribution to the shareholders of 500,000 shares in the capital of Share Mines & Oils Limited, the fair market value of which was then fixed at 25 cents per share.

By Supplementary Letters Patent dated April 7, 1966 the authorized capital of the Company was further decreased from \$4,750,000.00 to \$4,500,000.00 by reducing the par value of each of the shares of the Company from 95 cents to 90 cents and the repayment pro rata to the shareholders of the Company of the sum of \$125,000.00 was authorized.

This return of capital to the shareholders was effected by a further pro rata distribution to the shareholders of 250,000 shares in the capital of Share Mines & Oils Limited the fair market value of which was then fixed at 50 cents per share.

DIVIDENDS

No dividends have been paid by the Company to date.

AUDITORS

The auditor of the Company is Mr. W. L. Hogg, F.C.A., 159 Bay Street, Toronto 1, Ontario.

STOCK REGISTRAR AND TRANSFER AGENT

Crown Trust Company, 302 Bay Street, Toronto, Ontario is the stock registrar and transfer agent of the Company.

CAPITAL STRUCTURE

The capital of the Company is comprised of shares of one class only, namely common shares. All shares issued by the Company rank equally as to entitlement to dividends and voting power, each share carrying one vote. There are no indentures or agreements extant or proposed limiting the payment of dividends. At all meetings of shareholders of the Company two shareholders personally present constitute a quorum and at such meetings resolutions may be voted upon by a show of hands unless a poll is demanded by a shareholder. On a show of hands every shareholder voting exercises one vote whereas on a poll every shareholder voting exercises one vote for each share held by him. In either case the Chairman has a second or deciding vote in the event of a tie vote. There are no conversion, pre-emptive, liquidation or distribution rights or other special privileges or provisions whatsoever attaching to any of the shares in the capital of the Company. None of the presently issued and outstanding shares in the capital of the Company are subject to call all having been issued as fully paid and non-assessable shares. None of the shares offered hereby will be subject to call or assessment of any kind.

OFFERING

Pursuant to an underwriting and option agreement dated the 18th day of February, 1969 Morgan, Ostiguy & Hudon Ltd., 500 St. James Street West, Montreal 1, Canada, as principals, have agreed to firmly purchase 400,000 shares in the capital of the Company at the price of \$1.00 per share for a net amount of \$400,000.00 to be received by the Company on the effective date defined in the agreement as the fifth business day next following the later of the dates on which the Ontario Securities Commission shall have issued its filing receipt for this prospectus and the Quebec Securities Commission shall authorize distribution of this prospectus to the public.

In consideration of such firm purchase the Company has granted to the Underwriter-Optionee the option to purchase an additional 200,000 shares in the capital of the Company at the price of \$1.25 per share exercisable at any time or times within three months of the effective date.

The securities offered hereby will be offered by the aforesaid Underwriter-Optionee or through registered security dealers appointed from time to time as agent for the underwriter-optionee.

There are no sub-underwriting or sub-option agreements outstanding or proposed. In the event that any sub-option or sub-underwriting is granted, an amendment to this prospectus will be filed within 10 days thereof if the shares of the Company are then in the course of primary distribution.

The maximum offering price of the shares offered hereby will be determined in accordance with the schedule set forth on the face page of this Prospectus.

The only persons who own a greater than 5% interest in Morgan, Ostiguy & Hudon Ltd. are: Guy Lefaiivre Hudon, 318 Geneva Crescent, Town of Mount Royal, Quebec; Jean Paul Wilson Ostiguy, 68 Roselawn Crescent, Town of Mount Royal, Quebec; Jean Paul Bousquet, 249 Stanstead Street, Town of Mount Royal, Quebec; and Terence Carson Flood, 824 Canora Avenue, Town of Mount Royal, Quebec.

PRIVATE PLACEMENT

Subject to and coincident with the purchase by Morgan, Ostiguy & Hudon Ltd. of the aforementioned 400,000 underwritten shares, McIntyre Porcupine Mines Limited, Toronto, Ontario, have agreed to purchase from Morgan, Ostiguy & Hudon Ltd. for investment purposes 100,000 of such shares at the net price of \$1.00 per share. None of these shares will be offered by McIntyre Porcupine Mines Limited pursuant to this prospectus.

USE OF PROCEEDS

The net proceeds to be received by the Company from the sale of the underwritten shares as hereinbefore referred to are estimated at approximately \$385,000.00 after deducting the expenses of this issue estimated not to

exceed \$15,000.00. There is no assurance that any of the 200,000 shares under option will be purchased, however, if all of such shares are taken down and paid for the Company will receive an additional \$250,000.00.

The aforesaid funds will be used to defray the ordinary operating expenses of the Company and to carry out the exploration program on the Company's Cumberland and Colchester Counties, Nova Scotia, mining property recommended by E. J. Lalonde, P.Eng., in the estimated amount of \$170,000.00.

The Company also intends to carry on business as a prospecting and exploration company and accordingly monies in the Company's treasury as available may be used to defray the cost of programs of acquiring, staking, examining and exploring mining and/or oil and gas properties, either alone or in concert with others and to generally carry out explorational programs as opportunity and finances permit, provided, however, that no material amounts will be expended on the acquisition of new properties without an amendment to the Company's prospectus being filed if the shares of the Company are then in the course of primary distribution

PRINCIPAL HOLDERS OF SHARES

The present principal shareholders of the Company are as follows:

Name and Address	Designation of Class	Type of Ownership	No. of Shares Owned	Percentage of Class
Gee & Co., 25 King St. West Toronto, Ontario	Common shares par value 90 cents each	Of record only *	487,543	16.8 % **

* Of the 487,543 shares registered in the name of Gee & Company, 189,666 shares are owned beneficially by John Francis Daly, 107 Wimbleton Road, Islington, Ontario, the President of the Company, and 139,666 shares are owned beneficially by Clemens Joseph Bucher, 114 Garfield Avenue, Toronto 7, Ontario, Vice-President of the Company. The beneficial ownership of the remaining 158,211 shares is not known to the signatories hereto.

** After giving effect to the issue of 400,000 underwritten shares.

Gee & Co. is affiliated with the Canadian Imperial Bank of Commerce and is used by the Bank for the operation of nominee securities accounts at its Toronto head office.

The following table sets forth the percentage of issued shares of the Company beneficially owned by all directors and officers of the Company as a group:

Designation	% of class
Common shares par value 90 cents each	18.4%

PROMOTER

No person has been a promoter of the Company during the past five years.

MANAGEMENT

The names of the directors and officers of the Company and the positions presently held are listed below:

Name		
John Francis Daly.....	107 Wimbleton Road Islington, Ontario	President and Director
Clemens Joseph Bucher.....	114 Garfield Avenue Toronto 7, Ontario	Vice-President and Director
James Arthur Garry.....	17 Brooke Avenue Toronto 12, Ontario	Secretary-Treasurer and Director
John Francis Drohan.....	62 Wendover Road Toronto 18, Ontario	Director
Werner William Amerongen.....	1421 Roselawn Avenue St. Paul, Minnesota	Director

Mr. Daly is and has been during the past five years a mining executive. He is President of Choiceland Iron Mines Limited and Vice-President of Share Mines & Oils Limited.

Mr. Bucher is a graduate mining engineer from Michigan Technological University, Houghton, Michigan. He has been employed as a securities salesman by Morgan, Ostiguy & Hudon Inc. since May, 1967. During the period 1963 to May, 1967, Mr. Bucher was similarly employed by Flood, Wittstock & Co. Limited, Toronto, Ontario. Mr. Bucher is also a director of Share Mines & Oils Limited.

Mr. Garry is and has been for the past five years an insurance agent carrying on business under the name of James A. Garry Insurance, Toronto, Ontario.

Mr. Drohan is now and has been for more than the past five years the Vice-President of Eastern Construction Co. Ltd., Toronto and Windsor, Ontario.

Dr. Amerongen is and has been during the past five years a medical doctor in private practice in St. Paul, Minnesota.

REMUNERATION OF MANAGEMENT

No director or senior officer of the Company received any remuneration from the Company during the last financial year. During the forthcoming year the directors will be entitled to a fee of \$50.00 for each meeting of the Board of Directors attended. The Company does not propose to pay any remuneration to officers as such. However, J. F. Daly and Associates Limited, 80 King Street West, Toronto, Ontario, will provide the Company with management services including the services of John Francis Daly as General Manager of the Company, head office facilities, secretarial and bookkeeping services for a management fee of \$1,250.00 per month. John Francis Daly, the President of the Company, is the controlling shareholder of J. F. Daly and Associates Limited.

PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

A. Right of Withdrawal

An agreement of purchase and sale covering any of the shares hereby offered is not binding upon the purchaser if the company from whom the purchaser buys same, receives written or telegraphic notice evidencing the intention of the purchaser not to be bound by the agreement, not later than midnight of the second day (exclusive of Saturdays, Sundays and holidays) after receipt of the prospectus of the Company or amended prospectus; provided the purchaser has not sold or transferred the said shares prior to the expiration of the said two-day period.

Receipt of the prospectus or amended prospectus by the agent of the purchaser and receipt of the said notice by the agent for the vendor of the said shares shall be receipt by the purchaser and vendor respectively.

B. Right of Rescission

A purchaser of any of the shares hereby offered has a right to rescind his contract to purchase while he is still the owner of the said shares if the prospectus of the Company and any amending prospectus received by such purchaser, as of the date of receipt, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading; provided, however, such right of rescission will not apply:

- (a) if the untruth or fact of omission was unknown to the Company and to the underwriter and could not have been known in the exercise of reasonable diligence;
- (b) if such statement or omission is disclosed in an amended prospectus and same has been received by the purchaser;
- (c) if the purchaser knew the untruth of the statement or knew of the omission at the time of purchase.

Receipt of a prospectus or an amended prospectus by a party who is acting as agent or who thereafter commences to act as agent of the purchaser shall be receipt by the purchaser. No action shall be commenced after the expiration of ninety days from the last to occur of the receipt of the prospectus or the date of the contract.

The full text of the respective statutory provisions summarized above are contained in Section 63 and 64 of The Securities Act, 1966.

MATERIAL CONTRACTS

The following are the only material contracts entered into by the Company during the past two years:

- (1) McIntyre Porcupine Mines Limited option agreement dated December 5, 1968 (See "History and Business").
- (2) Morgan, Ostiguy & Hudson Ltd. underwriting and option agreement dated February 18, 1969 (See "Offering").

Copies of the aforementioned agreements are available for inspection during business hours at the head office of the Company.

HANSON MINES LIMITED

(Incorporated under the Laws of the Province of Ontario)

BALANCE SHEET AS AT NOVEMBER 30, 1968

ASSETS

CURRENT ASSETS

Cash \$ 4,811.60

INVESTMENT IN SHARE MINES & OILS LTD.

80,000 shares, at cost (Quoted market value \$23,600.00) 39,839.44

Equipment, at cost less accumulated depreciation of \$648.76 62.54

MINING CLAIMS AND PROPERTIES — NOTE 1

Prospecting licenses covering 832 claims in Colchester and Cumberland Counties, Province of Nova Scotia, at cost 340.00

DEFERRED EXPENSES

Exploration 3,425.61

Incorporation expense 1,367.75

\$49,846.94

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued charges 544.66

SHAREHOLDERS' EQUITY

CAPITAL STOCK — NOTES 2 and 4

Authorized:

5,000,000 shares with a par value of \$.90 each \$ 4,500,000.00

Issued:

2,500,000 shares \$ 2,250,000.00

Less: Discount on shares 1,341,302.75

908,697.25

DEFICIT 859,394.97

49,302.28

\$49,846.94

The attached notes to the above Balance Sheet are an integral part thereof.

Approved on Behalf of the Board:

J. F. DALY, Director.

J. A. GARRY, Director.

AUDITORS' REPORT

The Directors,
Hanson Mines Limited.

I have examined the balance sheet of Hanson Mines Limited as at November 30, 1968 and the statements of deficit, deferred exploration and administrative expenses and source and application of funds for the four years and ten months ended October 31, 1964, the fourteen months ended December 31, 1965, the years ended December 31, 1966 and 1967 and the eleven months ended November 30, 1968. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion, these statements present fairly the financial position of the company as at November 30, 1968 and the results of its operations and the source and application of its funds for the successive periods then ended in accordance with generally accepted accounting principles applied on a consistent basis.

February 18, 1969,
159 Bay Street, Toronto.

W. L. HOGG,
Chartered Accountant.

HANSON MINES LIMITED

Notes to Balance Sheet as at November 30, 1968

1. In December 1968 the company acquired by application under the Minerals Disposition Regulations, 1961 (Saskatchewan) an exclusive permit to prospect for minerals covering approximately 189,100 acres in the La Ronge Mining District in the Province of Saskatchewan and has paid the application fee of \$25.00 and the first year rental fee of \$3,782.00 and has posted a performance bond at a cost of \$21,856.68 with respect to minimum expenditure requirements applicable to the permit.

By a working option agreement dated December 5, 1968 the company granted an exclusive right and option to develop, examine and explore the mining lands contained in the permit and obtained a firm commitment for the expenditure of at least \$250,000 on an exploration program thereon by December 5, 1969. At any time before December 5, 1971 the other party to the agreement shall have the right and option to cause a new company to be incorporated to acquire all or any part of the mining lands. This right and option is called the "incorporation option" which may be exercised if the other party applies for incorporation of a mining company with an authorized capital of 1,000,000 common shares and 2,000,000 3% non-cumulative redeemable (at par) non-voting preference shares with a par value of \$1.00 each. Should the option be exercised before \$1,000,000 has been expended the remaining amount must be expended by December 5, 1971. Forthwith after incorporation the new company shall purchase the mining lands by the issue of all of its 1,000,000 common shares, 350,000 to Hanson and 650,000 to the other party and by the issue of preference shares to the other party in number equal to the number of dollars expended on the mining lands up to the date of incorporation. Thereafter the other party shall have the right and option to purchase, for cash or in return for expenditures, all or any part of the remaining preference shares for a period of four years. The preference shares are to be redeemed out of 80% of the earnings of the new company.

2. Under the terms of an agreement dated February 18, 1969, the company has obtained a firm commitment for the purchase of 400,000 shares of its capital stock at \$1.00 per share or a total of \$400,000 payable on the "effective date" which is defined as the fifth business day next following the later of the dates on which the Ontario Securities' Commission and the authority having jurisdiction over the sale of securities in the Province of Quebec shall have issued their respective filing receipts for its prospectus.

Under further terms of this agreement the company has granted an option on 200,000 shares of its capital stock at \$1.25 per share exercisable within three months of the effective date.

3. No provision has been made in the balance sheet for legal and other costs of filing a prospectus of the Company with each of the Ontario Securities Commission and the authority having jurisdiction over the sale of securities in the Province of Quebec. These costs are estimated at not to exceed \$15,000.
4. The following is a summary of the shares of capital stock of the company issued since its incorporation and the related discounts on shares, after giving effect to the reductions of capital by supplementary letters patent, dated December 1, 1965 and April 7, 1966, with respect to the distribution of 500,000 and 250,000 shares of Share Mines & Oils Ltd. to the company's shareholders:

Issued for:	Shares	Par Value	Discount on Shares	Issued for
Cash	646,075	581,467.50	\$ 365,377.89	\$216,089.61
Properties	1,594,690	1,435,221.00	797,344.77	637,876.23
Assets and services other than cash or properties	259,235	233,311.50	178,580.09	54,731.41
	2,500,000	\$2,250,000.00	\$1,341,302.75	\$908,697.25

HANSON MINES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the four years and ten months ended October 31, 1964
The fourteen months ended December 31, 1965, the years
Ended December 31, 1966 and 1967 and the eleven months ended November 30, 1968

	Four Years and Ten Months Ended October 31, 1964	Fourteen Months Ended December 31, 1965	Year Ended December 31, 1966	Year Ended December 31, 1967	Eleven Months Ended November 30, 1968
SOURCE OF FUNDS:					
Capital Stock					
30,000 shares sold at \$.10 for cash	\$ 3,000.00				
14,611 shares issued for services	1.00				
Sales of Share Mines' Oils Ltd. stock:					
100,000 shares		\$24,773.44		\$ 8,013.82	\$21,083.40
16,000 shares					
54,000 shares					
Receipt and delivery of 100,000 shares of Share Mines Oils Ltd. in payment of account payable		2,007.00	\$ 23.93	19.15	14.04
Depreciation of equipment		<u>26,780.44</u>	<u>23.93</u>	<u>8,032.97</u>	<u>21,097.44</u>
	<u>3,001.00</u>				
APPLICATION OF FUNDS:					
Exploration expenses	\$19,623.65			\$17,560.78	\$5,459.01
Administrative expenses	4,417.16	\$11,953.50	\$2,982.79	1,700.74	2,851.03
Expenses re supplementary letters patent		125.00	3,662.98		
Purchase of 100 shares of Share Mines & Oils Ltd.		40.00			340.00
Prospecting licenses					
Deferred expenses — Exploration					3,425.61
		<u>12,118.50</u>	<u>6,645.77</u>	<u>19,261.52</u>	<u>12,075.65</u>
Increase (Decrease) in Working Capital		<u>24,040.81</u>			
		<u>\$(21,039.81)</u>	<u>\$(6,621.84)</u>	<u>\$(11,228.55)</u>	<u>\$ 9,021.79</u>
	Oct. 31, 1964	Dec. 31, 1959	Dec. 31, 1965	Dec. 31, 1967	Nov. 30, 1968
Current Assets	\$ 1,265.60	\$ 20,213.41	\$13,245.54	\$ 3,296.75	\$4,811.60
Current Liabilities	2,832.00	740.00	150.00	8,051.60	544.66
Working Capital (Deficit)	<u>\$(1,566.40)</u>	<u>\$ 19,473.41</u>	<u>\$13,095.54</u>	<u>\$(4,754.85)</u>	<u>\$4,266.94</u>
Increase (Decrease) in Working Capital		<u>\$(21,039.81)</u>	<u>\$(6,621.84)</u>	<u>\$(11,228.55)</u>	<u>\$ 9,021.79</u>

The attached notes which are applicable to this statement are an integral part thereof.

HANSON MINES LIMITED

STATEMENT OF DEFERRED EXPLORATION AND ADMINISTRATIVE EXPENSES

For the four years and ten months ended October 31, 1964
The fourteen months ended December 31, 1965, the years
Ended December 31, 1966 and 1967 and the eleven months ended November 30, 1968

	Four Years and Ten Months Ended October 31, 1964 (Note 1)	Fourteen Months Ended December 31, 1965 (Note 2)	Year Ended December 31, 1966	Year Ended December 31, 1967	Eleven Months Ended November 30, 1968
Balance at beginning of year or period	\$600,636.58	\$624,677.39	\$ —	\$ —	\$ —
EXPLORATION					
Assaying	\$ 112.00		\$ 3,166.75		\$ 124.00
Claims expense	287.70				220.00
Diamond drilling	13,544.15		15,801.64		
Engineers and geologists fees and expenses	1,300.00		4,130.70		1,306.29
Flying and other transportation	1,151.88		3,574.31		3,738.07
Geological and geophysical surveys	1,736.97		1,355.00		
Legal and audit			775.00		
Line cutting			979.12		
Management fees			500.00		62.10
Miscellaneous	(9.05)		269.44		
Office supplies and expenses	1,500.00		384.21		
Option payments			1,000.00		3,428.16
Prospecting and staking			11,005.00		
Supplies and rentals			350.31		
	<u>19,623.65</u>		<u>43,291.48</u>		<u>8,884.62</u>
Less: Paid by partners in projects	19,623.65		25,730.70	17,560.78	8,884.62
ADMINISTRATIVE					
Corporation and business taxes	247.34	\$ 30.00	\$ 97.65	43.77	77.11
Depreciation of equipment			23.93	19.15	14.04
Directors fees				100.00	
Interest and bank charges		(46.03)	(185.75)	259.58	360.13
Legal and audit	2,707.00	7,215.00	750.00	150.00	525.00
Management expense			1,000.00		175.00
Office supplies and expenses	834.37	778.20	853.95	756.19	1,166.80
Secretarial services		3,000.00			
Travelling expenses					124.00
Transfer agent's charges	628.45	976.33	443.01	372.05	408.95
	<u>4,417.16</u>		<u>\$ 2,982.79</u>	<u>1,700.74</u>	<u>2,851.03</u>
	624,677.39	11,953.50	2,982.79	19,261.52	11,735.65
		<u>636,630.89</u>	<u>2,982.79</u>	<u>19,261.52</u>	<u>8,310.04</u>
Written off to deficit					
Balance at end of years or period	<u>\$624,677.39</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,425.61</u>

The attached notes which are applicable to this statement are an integral part thereof.

HANSON MINES LIMITED

STATEMENT DEFICIT

For the four years and ten months ended October 31, 1964
The fourteen months ended December 31, 1965, the years
Ended December 31, 1966 and 1967 and the eleven months ended November 30, 1968

	Four Years and Ten Months Ended October 31, 1964	Fourteen Months Ended December 31, 1965	Year Ended December 31, 1966	Year Ended December 31, 1967	Eleven Months Ended November 30, 1968
Balance at beginning of year or period	\$ 20,682.71	\$ 20,682.71	\$819,325.46	\$826,061.12	\$845,322.64
ADD:					
Prior years' deferred exploration and administrative expenses written off		\$624,677.39			
Balance of mining claims and options written off		12,824.50			
Expenses re supplementary Letters Patent		125.00	\$3,662.98		
Loss on Share Mines & Oils Ltd. stock:					
Distribution of 500,100 shares to shareholders		124,036.50			
Sale of 100,000 shares for cash		25,025.86		\$ —	\$5,762.29
Sale of 16,000 shares for cash				17,560.78	5,459.01
Sale of 54,000 shares for cash				1,700.74	2,851.03
Exploration expenses		11,953.50			
Administrative expenses			2,982.79		
Depreciation — prior years			591.64		
		798,642.75	7,237.41	19,261.52	14,072.33
	<u>20,682.71</u>	<u>819,325.46</u>	<u>826,562.87</u>	<u>845,322.64</u>	<u>859,394.97</u>
DEDUCT:					
Profit on Share Mines & Oils Ltd. Stock:					
Distribution of 250,000 shares to shareholders			501.75		
	<u>\$ 20,682.71</u>	<u>\$819,325.46</u>	<u>\$826,061.12</u>	<u>\$845,322.64</u>	<u>\$859,394.97</u>

The attached notes which are applicable to the above statement are an integral part thereof.

HANSON MINES LIMITED

Notes to Statements of Deficit, Deferred Exploration and Administrative Expenses and Source and Application of Funds

For the four years and ten months ended October 31, 1964

The fourteen months ended December 31, 1965

The years ended December 31, 1966 and 1967 and the eleven months ended November 30, 1968

Notes Applicable to All of Above Statements

1. The company was inactive in the two years ended October 31, 1963 and 1964. Consequently transactions were insignificant and separate statements for these two years have not been prepared.
2. The company's year end which was established as October 31 in 1964 was changed to December 31, in 1965 with a resulting fourteen months period.
3. Statements for the eleven months ended November 30, 1967 to compare with those for the eleven months ended November 30, 1968 have not been prepared as no significant changes in comparison would result relative to those between the year ended December 31, 1967 and the eleven months ended November 30, 1968 already shown.

Notes Applicable to Statement of Source and Application Funds Only

4. There was no quoted market for the company's shares in May 1964 when 14,611 shares of the company's shares were allotted to the company's secretary-treasurer for past services, consequently these shares were issued for a consideration of \$1.00.

There are no other material facts.

Toronto, Ontario, February 18, 1969.

CERTIFICATE OF THE COMPANY

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder and under the Securities Act (Quebec).

On behalf of the Board of Directors

(Signed) JOHN FRANCIS DALY
Chief Executive Officer

(Signed) CLEMENS JOSEPH BUCHER
Director

(Signed) JAMES ARTHUR GARRY
Chief Financial Officer

(Signed) JOHN FRANCIS DROHAN
Director

DIRECTORS

JOHN FRANCIS DALY

JAMES ARTHUR GARRY

CLEMENS JOSEPH BUCHER

JOHN FRANCIS DROHAN

WERNER WILLIAM AMERONGEN

CERTIFICATE OF THE UNDERWRITER

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder and under the Securities Act (Quebec).

MORGAN, OSTIGUY & HUDON LTD.

By: (signed) JEAN OSTIGUY

HANSON MINES LIMITED

SUMMARY

The following is a summary of the report of E. J. Lalonde, P.Eng., covering the claims in Nova Scotia.

The property consists of 33,280 acres or 52 square miles in the counties of Cumberland and Colchester in the Province of Nova Scotia.

These claim groups cover two ancient river channel systems in which low but above normal concentrations of radioactive material have been indicated to occur locally, associated with accumulations of carbonaceous debris. The sedimentary bedrock underlying the claims is of Carboniferous age and contain at least four zones in which carbonaceous material has been deposited. While no deposits approaching economic concentrations of uranium mineralization have been found to date the geological evidence suggests that such concentrations could occur. An exploration program to test this possibility and search for such possible deposits appears justified. Geochemical and geophysical surveys are recommended to delineate the channel systems and to define the carbonaceous horizons. A minimum of 12,500 feet of drilling is recommended. The total cost of the surveys and drilling is estimated to be approximately \$170,000.00.

URANIUM EXPLORATION

CUMBERLAND AND COLCHESTER COUNTIES NOVA SCOTIA

Hanson Mines Limited has acquired more than 33,000 acres in Nova Scotia which is believed to be underlain by Colorado Plateau type uranium deposits and may constitute a new Uranium province.

For purposes of clarity, the geological evidence which substantiate this is listed below:

1. Uraniferous mineralization is exposed at the surface and occurs in clastic continental sediments.
2. The uranium exposure are restricted to braided channel systems within the sediments.
3. The uranium occurrences are found *only* in grey sediments associated with carbonaceous material in grey sandstones and grits.
4. The uranium material at the surface is not in equilibrium indicating possible solution and migration of the metal.
5. The uranium is usually associated with copper and occasionally with anomalous selenium and molybdenum.
6. The copper was deposited by percolating ground waters in a reducing environment.
7. The ground water table has fluctuated greatly so that a static reducing environment would only occur at depth.
8. The sedimentary sequence is up to 9,000 feet thick and contain at least four favourable horizons for the occurrence of uranium roll structures.
9. Syngenetic uranium deposits may have been deposited at or near the base of series.

Hanson Mines Limited has carried out field investigations to delineate the favourable areas and has acquired title to the lands under the Nova Scotia Mining Act. Because of the magnitude of this project, it is suggested that Hanson Mines Limited seek additional financial participation in order to thoroughly investigate this area.

CLAIMS AND LOCATION

Prospecting licenses have been received covering 832 claims comprising approximately 33,280 acres in Cumberland and Colchester counties in Nova Scotia. These claims are situated on the north coast of Nova Scotia, south and west of Tatamagouche Bay. Attached is an index map showing the location of the claims. A list of the claims with pertinent details is also attached.

GEOLOGY

Carboniferous sediments folded into an easterly trending syncline underlie the claims. Pre-Carboniferous volcanic and sedimentary rocks much intruded by granites and syenites constitute the basement rocks and are exposed south of the claims. Field investigation showed that these older rocks have anomalous radioactivity and that they were the source of the Carboniferous sediments.

This investigation also showed that the rock and rock structures of the older rocks controlled the development of the drainage system off of these highlands not only in the recent past but also controlled the drainage during the Carboniferous period. The headwaters of the Wallace, French, and Byers system had been established prior to the Carboniferous period, were the principal systems during the Carboniferous and have been the drainage system through to the present time. The composition of the Carboniferous rocks and their rock structures also confirm the location of these drainage systems.

During the Carboniferous period, up to 9,000 feet of sediments were deposited under continental conditions on the northern flank of the older highlands. The table of Carboniferous formations is as follows:

Old Classification	New Classification
Upper and Middle Permian New Glasgow Conglomerate	3000' Pictou Series
Millstone Grit Millstone Grit Conglomerate	3000' Cumberland Series
Carboniferous Limestone	3000' Boss Point Formation

The Boss Point formation in the Tatamagouche area consists of up to 3,000 feet of interbedded grey and red sandstone and shales. The Cumberland series, up to 3,000 feet thick, consists of a lower horizon of red conglomerate and grit with some red shale and sandstone. The upper horizon consists of grey sandstone, grit and shale with some red shales and sandstone and discontinuous beds of coal. The Pictou series consists of red sandstone, shales and conglomerates with some grey sandstone and shales. The Carboniferous rocks along the Wallace, French, and Byers river system differ greatly from rocks on strike which are exposed between these river systems. The rocks between the river systems are characterized by a uniformity of bedding, composition, and texture. Between the river systems the sedimentary environment was palustrine to relatively quiet terrestrial basin deposition, whereas along the river systems the Carboniferous rocks show rapid and drastic changes in texture and composition. Crossbedding and fore-set beds are common and at differing directions. No coal beds occur but Carbonaceous trash piles, angular grits and arkosic sandstones are common, indicative of a braided aggradational deposition.

Since the end of the Carboniferous period, this area has been subjected to several periods of uplift and depression resulting in drastic changes of the water table. Part of these fluctuations are related to reactivation of the block faulting in the Carboniferous basin which accompanied the large wrench or tear faulting southeast of this area. Part occurred during the gentle folding of the sediments, and some fluctuation of the water table occurred during the Triassic the Pleistocene periods. These fluctuations in the water table produced oscillating chemical conditions of oxidation and reduction in the near surface sediments as shown by the alteration of the feldspars within the red beds. In these beds, the outline of the feldspar fragments are distinct but the feldspars have been completely altered to kaolin. In general, ground waters moved down the strata and out of the basin.

MINERALIZATION

Limited uranium, copper, and other sulphide mineralization are restricted to the grey beds containing abundant carbonaceous trash within areas of channel deposition. The heavy metal debris was deposited in the channel where the velocity of the current was lowered. Metals in solution were precipitated where reducing environment were encountered near the edge of the channels. These conditions prevail within, and near the edges of aggradational channels but seldomly in the quiet areas between major channel systems. Subsequent to deposition, oxygen-rich groundwaters moving down these porous horizons removed the metals. The metals in solution migrated down the strata until reducing conditions were encountered, such as around carbon-rich trash piles. The Ph and Eh of the solutions were changed and the metals were precipitated.

Mineralized trash piles occur in the Boss Point formation and in at least two horizons in the Pictou. The fourth favourable zone is not exposed but should lie in the upper part of the Cumberland where fossil plants flourished, as shown by the presence of coal beds to the west of the Wallace River channel system. It may be inferred from the prevalence of grey grit at this horizon that the uranium was deposited under reducing conditions and did not move out into the basin in solution.

There is a possibility of syngenetic uranium deposits at or near the base of the Boss Point formation.

Twelve secondary surface concentrations of uranium and copper in porous grey grits and sandstones have been worked for their copper content. Assays on samples of mineralized rocks are as follows:

Sample	%U ₃ O ₈	Beta*	%Cu	%Mo	%Se
1. Feeley Mine	0.01	0.01	9.29	Trace	Nil
2. Wentworth Centre	0.01	0.01	5.01	Nil	Trace
3. Wallace River	Trace	Nil	0.09	Nil	Trace
4. Boss Point Trash	Nil	Trace	0.05	Nil	Trace
5. Block House Point	Trace	Trace	0.18	Trace	Nil
6. Oliver School	Trace	0.01	23.40	Nil	Trace
7. Tatamagouche River	Trace	Nil	0.77	Trace	Nil
8. French River	Trace	Nil	3.85	Trace	Trace

*U₃O₈ based on Beta activity.

Samples four and six are not in equilibrium, indicating the presence of daughter products.

These data indicate that uranium is present and that it has been concentrated by migratory groundwaters along with other metals in a reducing environment. Without exception, the metals are found in porous, grey grits and sandstones with carbonaceous debris. The grey carbonaceous zones are irregular and appear to be remnants of unaltered rock.

WORK RECOMMENDATION AND ESTIMATE OF COST

It is suggested that stream sediment samples be collected and assayed for uranium to outline surface projections of the favourable horizons. Seismic cross-sections and longitudinal profiles down the channels would define the limits of the channels and would map the gradient changes in the channel.

Diamond drilling to test the favourable horizons will be required. The horizons will be below the zone of alteration caused by the fluctuating ground water table and at a depth estimated to be in excess of 500 feet. Deeper drilling will be required to test the possibility of syngenetic deposits at the base of the sedimentary series.

It is estimated that the cost of the above work would be as follows:

Stream sampling	\$ 5,000.00
Seismic survey	40,000.00
Diamond drilling	125,000.00
	<hr/>
	\$170,000.00

As the amount of diamond drilling to be required or the location of the holes is predicated on the initial geochemical and geophysical surveys, it is not possible to estimate the drilling cost with any degree of assurance.

The Nova Scotia Mining Regulations require that expenditures of \$166,400.00 worth of work on these claims by their anniversary date.

All of which is respectfully submitted.

Sincerely yours,
EARL J. LALONDE, P.Eng.

HANSON MINES LIMITED Prospecting Licenses Nova Scotia

<u>License</u>		<u>Number</u>	<u>Claim</u>	<u>County</u>	<u>Date</u>	<u>Total</u>
5409	—	5419	A-Q	Colchester	31 May 69	11
5420	—	5437	A-Q	Cumberland	31 May 69	18
5482			A-Q	Colchester	31 May 69	1
5809	—	5812	A-Q	Cumberland	18 July 69	4
5813	—	5814	A-Q	Colchester	18 July 69	2
5815	—	5830	A-Q	Cumberland	18 July 66	16

NORTHUMBERLAND

46

STRAIT

Pugwash

6

21

Oxford

1

Claim.
Groups

2

Tatamagouche
Bay

6

Tatamagouche

11

4

2

4

Truro

MINAS BASIN

2

INDEX MAP
of
HANSON MINES LIMITED CLAIMS
NOVA SCOTIA

Scale 1" = 8 miles

45

5812	5811	5810	5809
5829	5830	5436	5437
5828	5827	5435	5434
5825	5826	5432	5433
5824	5823	5431	5430
5821	5822	5428	5429
5820	5819	5427	5426
5817	5818	5424	5425
5816	5815	5423	5422
		5421	5420

CLAIM GROUP 1
NOVA SCOTIA
HANSON MINES LIMITED

Scale 1" = 2 miles

5419	5418
5416	5417
5415	5414
5412	5413
5482	5411

5410	5813	5814
5409		

CLAIM GROUPS 2 & 3
NOVA SCOTIA
HANSON MINES LIMITED

Scale 1" = 2 miles

CERTIFICATE OF ENGINEER'S QUALIFICATIONS

I, Earl J. Lalonde, residing at 606 — 125 Jameson Avenue in the City of Toronto, County of York, Ontario, do hereby certify as follows:

- (1) That I obtained a B.A.Sc. in geology, 1951, University of Toronto, Toronto, Ontario.
- (2) That I am a registered professional engineer of the Province of Ontario.
- (3) That my office address is Suite 1101, 302 Bay Street, Toronto 1, Ontario, where I practise my profession with a Consulting Geologist.
- (4) That I hold no interests or securities either directly or indirectly in Hanson Mines Limited, nor do I expect to receive any.
- (5) That this report is based on the references studied and on a personal visit to the property from June 5th to June 13th, 1968.

EARL J. LALONDE, P.Eng.

Toronto, February 11, 1969.

HANSON MINES LIMITED

SUMMARY

The following is a summary of the report of E. J. Lalonde, P.Eng., covering the claims in Saskatchewan.

Hanson Mines Limited has been granted exclusive rights under the Mineral Disposition Regulations, 1961 to explore and prospect for all minerals on approximately 189,100 acres of land in the northern part of the La Ronge Mining District in the Province of Saskatchewan for a period of three years commencing on December 5th, 1968.

This area was selected without a field examination and was based on published geological information. It is in close proximity to a permit area on which uranium mineralization has recently been discovered. The geology of the Hanson permit area is similar in most respects and could be considered the southwestern extension of the geology in the environs of the new discovery. No recommendations concerning exploration and prospecting can be made as McIntyre Porcupine Mines Limited has agreed to carry out this work under an option dated December 5th, 1968.

HANSON MINES LIMITED

PERMIT NUMBER 1 WOLLASTON LAKE AREA SASKATCHEWAN

Hanson Mines Limited has been granted exclusive rights under the Mineral Disposition Regulations, 1961 to explore and prospect for all minerals on approximately 189,100 acres of land in the northern part of the La Ronge Mining District in the Province of Saskatchewan for a period of three years commencing on December 5th, 1968.

This area was selected without a field examination and was based on published geological information. It is in close proximity to a permit area on which uranium mineralization has recently been discovered. The geology of the Hanson permit area is similar in most respects and could be considered the southwestern extension of the geology in the environs of the new discovery. No recommendations concerning exploration and prospecting can be made as McIntyre Porcupine Mines Limited has agreed to carry out this work under an option dated December 5th, 1968.

GENERAL

Gulf Mineral Company announced an intersection of uranium mineralization in a hole drilled near the eastern edge of the Athabasca sandstone basin close to the western shore of Lake Wollaston in the La Ronge Mining District of Saskatchewan. On December 5th, 1968 Hanson Mines Limited obtained an irregular shaped permit covering approximately 300 square miles under the Mineral Disposition Regulations, 1961. Hanson's permit is located southwest of the newly discovered mineralization and is roughly defined as an area bounded by latitudes $57^{\circ} 45'$ and $58^{\circ} 00'$ north and longitudes $104^{\circ} 35'$ and $104^{\circ} 54'$ west. A more precise definition of the permit area is appended as is an index map showing the location of this permit.

GEOLOGY

Late preCambrian or early Paleozoic sandstones (the Athabasca formation) were deposited in a basin or depression in the older preCambrian rocks which extended across northern Saskatchewan from Lake Wollaston on the east to the west shore of Lake Athabasca in Eastern Alberta.

The Geological Survey of Canada has reported the uranium mineral, autunite, as occurring in the lower member of the Athabasca formation and in the regolith or paleo-soil at the top of the underlying rocks on the northern edge of the Athabasca basin. Autunite is a hydrous, calcium, uranium phosphate ($\text{Ca}(\text{UO}_2)_2\text{P}_2\text{O}_8 \cdot 8\text{H}_2\text{O}$) containing 62.7% of uranium trioxide. Autunite is a secondary mineral and would be precipitated in a reducing environment.

The Hanson permit area is blanketed by Athabasca sandstone which may be up to 1800 feet thick in the northwest corner of the permit area. The older or basement rocks are reported to consist of intercalated argillite horizons within a quartz rich sedimentary sequence. These older rocks have been metamorphosed to the biotite grade. They trend northeasterly and are reported to dip steeply to the northwest.

The differing resistance to erosion of the older rocks would control the pre Athabasca drainage and would determine the amount of regolith developed. This drainage was from the northeast southwesterly parallel to the fabric of the basement rocks into the Athabasca basin. It is thought that the Hanson permit covers a major drainage system into the basin. The youngest Athabasca sandstone covering the permit area would protect the lower members of the sandstone and the underlying regolith from erosion.

FUTURE WORK AND RECOMMENDATIONS

No exploration program is recommended as McIntyre Porcupine Mines Limited has optioned this permit area.

All of which is respectfully submitted.

Sincerely yours,

EARL J. LALONDE, P.Eng.

108°

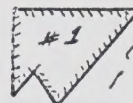
106°

104°

* Uranium City

Lake
Athabasca

ATHABASCA BASIN



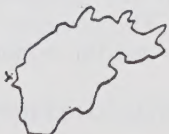
Wollaston
Lake

58°

Reindeer
Lake

Tree
Lake

La Ronge *



INDEX MAP
OF
HANSON MINES PERMIT #1
SASKATCHEWAN

Scale 1" = 44 miles (approx.)

HANSON MINES LIMITED

MINERAL PROSPECTING PERMIT NO. 1

That portion of the La Ronge Mining District, Province of Saskatchewan, contained within the following limits:

Commencing at point "A" at 58 degrees, 00 minutes, 00 seconds north latitude and 104 degrees, 54 minutes, 00 seconds west longitude; thence south to point "B" at the intersection of Yellowknife Bear Mines Ltd. and Chieftain Development Co. Ltd. Permit No. 1 and 104 degrees, 54 minutes and 00 seconds west longitude; thence northeasterly along the northwest boundary of the said permit to point "C" at 57 degrees, 50 minutes, 00 seconds north latitude and 104 degrees, 47 minutes, 00 seconds west longitude; thence southeasterly to point "D" at 57 degrees, 44 minutes, 10 seconds north latitude and 104 degrees, 35 minutes, 10 seconds west longitude; thence northeasterly to point "E" at the intersection of the northwest boundary of Gulf Minerals Company Permit No. 6 and 58 degrees, 00 minutes, 00 seconds north latitude; thence westerly along the said latitude to the point of commencement; said points and limits being shown on attached sketch;

Excluding therefrom the following:

- (a) all dispositions made prior to the effective date of the permit;
- (b) all dispositions the rights to which have accrued by staking or otherwise prior to the effective date of the permit;
- (c) all dispositions that have lapsed, surrendered, forfeited or cancelled and the areas in respect of which were not available for disposition pursuant to the regulations on the effective date of the permit;

Said permit containing 189,100 acres, more or less.

CERTIFICATE OF ENGINEER'S QUALIFICATIONS

I, Earl J. Lalonde, residing at 606 — 125 Jameson Avenue in the City of Toronto, County of York, Ontario, do hereby certify as follows:

- (1) That I obtained a B.A.Sc. in geology, 1951, University of Toronto, Toronto, Ontario.
- (2) That I am a registered professional engineer of the Province of Ontario.
- (3) That my office address is Suite 1101, 302 Bay Street, Toronto 1, Ontario, where I practise my profession with a Consulting Geologist.
- (4) That I hold no interests or securities either directly or indirectly in Hanson Mines Limited, nor do I expect to receive any.
- (5) That this report is based on the references studied. No personal visit was made to the property.

EARL J. LALONDE, P.Eng.

Toronto, February 11, 1969.

HANSON MINES LIMITED

ANNUAL REPORT 1967-68

The Board of Directors of Hanson Mines Limited, in its report to the shareholders, states that the company has achieved a record year in its history.

The company's production of gold and silver has increased significantly over the past year, and its financial position is strong. The Board is pleased to report that the company has achieved a record year in its history, and it is confident that the company will continue to grow and prosper in the future.

The company's management has been successful in its efforts to improve the company's operating performance, and it is confident that the company will continue to grow and prosper in the future. The Board is pleased to report that the company has achieved a record year in its history, and it is confident that the company will continue to grow and prosper in the future.

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